ANNUALLY RENEWABLE LEASE

KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST PROGRAM

LEASE AGREEMENT

ADMINISTRATOR:	Kentucky Association of Counties Leasing Trust
LESSOR:	Magnolia Bank, Inc.
LESSEE:	City of Hopkinsville, Kentucky
LESSEE'S ADDRESS:	715 South Virginia Street Hopkinsville, Kentucky 42240
COMMENCEMENT DATE:	[]
TERMINATION DATE:	[]

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(The Table of Contents is not part of the Lease Agreement,
but for convenience of reference only)

LEASE AGREEMENT

This Lease Agreement (this "Lease"), dated the date shown on the cover page hereof, by and between the Lessor shown on the cover page hereof (the "Lessor"), and the Lessee shown on the cover page hereof (the "Lessee"), as lessee hereunder, a Governmental Agency (as defined herein) validly existing under the constitution, statutes, and laws of the Commonwealth. The Kentucky Association of Counties Leasing Trust, as administrator ("CoLT") shall also be deemed a party hereto for purposes of administering the Program, as defined herein.

WITNESSETH:

WHEREAS, the governing body of the Lessee (the "Governing Body") has the power, under Section 65.940 et seq. of the Kentucky Revised Statutes, to enter into lease agreements with or without the option to purchase in order to provide for the use of property for public purposes;

WHEREAS, the Governing Body has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined herein;

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee and the Lessor enter into this Lease for the leasing by the Lessee from the Lessor of the Project under the Program;

WHEREAS, the execution, delivery, and performance of this Lease, have been authorized, approved, and directed by the Governing Body by Authorizing Legislation (as defined herein) finally passed and adopted by the Governing Body; and

WHEREAS, the Lessor desires to lease the Project to the Lessee, and the Lessee desires to lease the Project from the Lessor, under the terms and conditions and for the purposes set forth herein, all in accordance with the administration of the Program by CoLT;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Certain Defined Terms and References.

(a) In addition to the terms defined elsewhere in this Lease, the following terms have the meanings given below unless the context clearly requires otherwise:

"Acquisition Fund" means the Acquisition Fund established at U.S. Bank Trust Company, National Association, as Disbursing Agent, under Section 3 hereof.

"Additional Rent" means the aggregate of (i) any expenses (including attorneys' fees and expenses) of the Lessor in defending an action or proceeding in connection with this Lease or in enforcing the provisions of this Lease; and (ii) any taxes or any other expenses, including licenses, permits, state and local sales and use or ownership taxes or property taxes and recording fees, or other fees which the Lessor is expressly required to pay as a result of or in connection with this Lease.

"Authorizing Legislation" means the resolution or ordinance adopted by the Governing Body approving this Lease.

"Base Rent" means the payments, including the Administrative Fee and the principal and interest components thereof, specified in Exhibit B attached hereto and made a part hereof.

"Commencement Date" means the Commencement Date shown on the cover page hereto.

"Commonwealth" means the Commonwealth of Kentucky.

"Costs" means, with respect to the Project, all or any part of the cost of construction, installation, and acquisition of all land, buildings, structures, machinery, and equipment; finance charges; extensions, enlargements, additions, replacements, renovations, and improvements; engineering, financial, and legal services (including costs related to the Lease Closing); plans, specifications, studies, surveys, estimates of costs, revenues, administrative expenses, expenses necessary or incidental to determining the feasibility or practicability of constructing the Project; and such other expenses as the Lessor determines may be necessary or incidental to the construction, installation, and acquisition of the Project, the financing of such construction, installation, and acquisition, interest during construction, installation, or acquisition and the placing of the Project in service.

"Disbursing Agent" means U.S. Bank Trust Company, National Association, in its capacity as Disbursing Agent hereunder, and its successors or assigns.

"Event of Default" means any Event of Default described in Section 22 hereof.

"Event of Nonappropriation" means an event described in Section 9 hereof.

"Governing Body" means the Governing Body of the Lessee.

"Governmental Agency" means, in accordance with its definition and use in the Governmental Leasing Act, any county, urban-county government, consolidated local government, city, taxing district, special district, school district, or other political subdivision of the Commonwealth or body corporate or politic or any instrumentality of the foregoing.

"Governmental Leasing Act" means Sections 65.940 through 65.956, inclusive, of the Kentucky Revised Statutes, as the same may be amended from time to time

"Interest Component" means the interest component of a Lease Payment identified as such in Exhibit B attached hereto.

"Late Payment Rate" means the interest rate identified as such in Exhibit B attached hereto.

"Lease" means this Lease Agreement as the same may be amended or supplemented from time to time.

"Lease Payments" means the sum of the Base Rent and Additional Rent due at a stated time or for a stated period.

"Lease Term" means the term of this Lease as established by Section 6 hereof.

"Lessee" means the Lessee identified on the cover page hereto.

"Lessor" means the Lessor identified on the cover page hereto.

"Principal Component" means the principal component of a Lease Payment identified as such in Exhibit B attached hereto.

"Project" means property the Costs of which are financed or refinanced, or the Costs of which are reimbursed hereunder, as more particularly described in Exhibit A attached hereto.

"Purchase Price" means, as of any Purchase Price Date, the amount set forth in Exhibit B attached hereto as the "Purchase Price," which the Lessee may pay to purchase the Project.

"Purchase Price Date" means the applicable date referred to in Exhibit B on which the Lessee may purchase the Project by payment of the applicable Purchase Price.

"Termination Date" means the Termination Date shown on the cover page hereto.

"UCC" means the Uniform Commercial Code as adopted and in effect from time to time in the Commonwealth.

(b) References to sections or exhibits, unless otherwise indicated, are to sections of or exhibits to this Lease. The singular form of any word used herein shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders. Unless otherwise specified, the word "including" shall mean "including without limitation", the word "or" shall mean "and/or", and the word "any" shall mean "any and all."

Section 2. Lease of Project. The Lessor hereby demises, leases, and lets to the Lessee, and the Lessee rents, leases, and hires from the Lessor, the Project in accordance with the provisions of this Lease, to have and to hold for the Lease Term. All leasehold rights granted to the Lessee by the Lessor under this Lease shall vest in the Lessee, without any further action on the part of the Lessor.

In order to secure all of its obligations hereunder, the Lessee hereby (i) grants to the Lessor a first and prior security interest in any and all right, title, and interest of the Lessee in the portions of the Project that constitute personal property and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom; (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (iii) agrees to execute and deliver all financing statements, certificates of title, and other instruments necessary or appropriate to evidence such security interest.

The Lessee hereby declares its current need for the Project and further determines and declares its expectations that the Project will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being acquired throughout the Lease Term. The Lessee hereby determines and declares that, to the best of its knowledge, the period during which the Lessee has an option to purchase the Project (i.e. the maximum term of this Lease) does not exceed the useful life of the Project. In addition, the Lessor and the Lessee declare that it is their mutual interest for this Lease to be administered by CoLT.

Section 3. Deposit of Funds; Investments. On the Commencement Date, the Lessor shall deliver to Disbursing Agent for deposit into the Acquisition Fund an amount equal to the original Principal Component (or such other amount as may be set forth in Exhibit B attached hereto). Amounts held in the Acquisition Fund will be promptly invested and reinvested by the Disbursing Agent in investments that are legally permitted for the Lessee under instructions provided to the Disbursing Agent by CoLT. The Lessee hereby requests that CoLT provide such instructions to the Disbursing Agent and invest amounts in the Acquisition Fund for such periods so that the funds will be available for disbursement when needed. In the absence of any written direction from CoLT, such amounts shall be invested in the U.S. Bank daily liquid commercial paper which is a promissory note issued by U.S. Bank Trust Company, National Association designed to meet the liquidity needs of the Disbursing Agent's Corporate Trust Services Escrow Group and other corporate trust customers of the Disbursing Agent and complies with the requirements of KRS 66.480. The Disbursing Agent may charge its ordinary and customary fees for such investments. The Lessee hereby appoints CoLT as its agent for all purposes with respect to such investments and any decisions related thereto, including for the purpose of receiving on the Lessee's behalf brokerage confirmations of related security transactions, or waiving the right to receive such confirmations.

Section 4. Disbursements and Acquisition. As long as no Event of Default or Event of Nonappropriation has occurred, and the Lessee's right to control acquisition, construction, installation, and equipping of the Project has not otherwise been terminated, disbursements from the Acquisition Fund may be made by the Disbursing Agent to pay vendors or to reimburse the Lessee for Costs of the Project. The Lessee must provide to CoLT and the Lessor for approval, and thereafter to the Disbursing Agent, a request for disbursement substantially in the form set forth in Exhibit F attached hereto.

If an Event of Default or Event of Nonappropriation occurs before the completion of the Project or if the right of the Lessee to control the acquisition, construction, installation, and equipping of the Project has been otherwise terminated, amounts on deposit in the Acquisition Fund shall be applied as directed by the Lessor to the payment of Lease Payments or the completion of the acquisition, construction, installation, or equipping of the Project.

If the Lessee becomes obligated hereunder to render notice, under Section 18 hereof, of a circumstance or event which, with the passage of time or the giving of notice, would constitute an Event of Default, from the time such obligation arose, disbursements from the Acquisition Fund may not be made until (1) the event or circumstance that is the subject of the notice ceases to exist as determined by the Lessor, or (2) an Event of Default occurs thus requiring the application of the second paragraph of this Section 4 to the moneys remaining in the Acquisition Fund.

The Lessee covenants that to the extent the Project consists of real estate, equipment, or other personal property, the Lessee has either contracted for, ordered, or shall contract for or order the Project under one or more purchase agreements from one or more vendors. The Lessee shall remain liable to any vendor in respect of its duties and obligations in accordance with each such purchase agreement and shall bear the risk of loss with respect to any loss or claim relating to any item of the Project covered thereby, and the Lessor does not assume any such liability or risk of loss. To the extent the Project consists of personal property, and under Section 2 hereof, the Lessee shall take all action to perfect a first priority security interest in the Project in favor of the Lessor, to the extent the UCC is applicable to the Lessee.

Section 5. Acceptance of Project. Upon any disbursement from the Acquisition Fund as provided in Section 4 hereof, the Lessee shall certify to the Lessor and CoLT its acceptance of that portion of the Project which is the subject of such disbursement.

Section 6. Term; Lessee's Annual Right to Terminate. The term of this Lease will be the period commencing on the Commencement Date and shall terminate upon the earliest of: (i) the June 30 immediately succeeding an Event of Nonappropriation unless the Event of Nonappropriation is cured; (ii) the occurrence of an Event of Default and termination of this Lease as provided in Section 22 hereof; and (iii) the Termination Date, unless the Lessee exercises its option to purchase the Project before the Termination Date. This Lease will terminate at the earlier of (a) 12:00 p.m. on the Termination Date, (b) the date upon which the Lessor receives payment of all Lease Payments, or (c) the date upon which the Lessor receives the Purchase Price.

Termination of the Lease Term will terminate all obligations of the Lessee to pay Lease Payments, except the payment of all Lease Payments accrued to the date of termination of this Lease, and will terminate the Lessee's rights to use, possess, or occupy the Project (unless a conveyance of the Project to the Lessee has occurred).

If the Lessee determines, to exercise its annual right to terminate this Lease, effective on any June 30, the Lessee must give written notice to such effect to the Lessor and CoLT not later than the preceding May 31; provided that a failure to give such notice will not constitute an Event of Default, nor prevent the Lessee from terminating this Lease, nor result in any liability on the part of the Lessee (except for the payment of all Lease Payments accrued before the termination of this Lease). The exercise by the Lessee of its annual option to terminate this Lease will be conclusively determined by the occurrence of an Event of Nonappropriation as provided in Section 9 hereof. Unless and until terminated as provided above, the Lease Term will continue in effect from fiscal year to fiscal year of the Lessee. The Lessee's obligations under this Lease will be subject to the Lessee's annual right to terminate this Lease and will not constitute a mandatory charge or requirement in any future fiscal year. NO PROVISION OF THIS LEASE WILL BE CONSTRUED AS CREATING A GENERAL OBLIGATION OR OTHER INDEBTEDNESS OF THE LESSEE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION.

Section 7. Rent. The Lessee shall pay Base Rent in the amounts and at the times set forth in Exhibit B attached hereto. The Lessee agrees and acknowledges that Exhibit B attached hereto may be amended at any time: (i) to reamortize the Principal Component if moneys are transferred from the Acquisition Fund upon completion of the Project and applied to the prepayment of lease Principal; or (ii) upon any other partial prepayment of the Purchase Price.

If the Lessor determines that an amendment to Exhibit B attached hereto is appropriate, CoLT will mail to the Lessee a revised Exhibit B (identified by date or other means), by first class mail, postage prepaid. The amendment will become effective and will for all purposes become a part of this Lease and will reflect Base Rent to be paid by the Lessee for subsequent periods (unless Exhibit B is further amended as provided in this Section) upon the earlier of the acknowledgment thereof by the Lessee or automatically on the next payment date set forth in the revised Exhibit B.

The Lessee will pay Additional Rent within fifteen days after a written request therefor is mailed to the Lessee by or on behalf of the Lessor.

Any Lease Payment that is not paid when due shall bear interest thereon at the Late Payment Rate. To the extent the Lessor advances any funds for the payment of any amounts due hereunder or to cure any Event of Default hereunder, the Lessee shall immediately reimburse the Lessor therefore with interest accrued on such amount at the Late Payment Rate. Amounts due under this paragraph will be deemed to be Additional Rent due and payable when incurred and without further written demand therefor.

Each Lease Payment will be applied to amounts then due and payable: (i) first to the Interest Component of Base Rent, (ii) second to the Principal Component of Base Rent, (iii) third to Additional Rent, and (iv) fourth to the components of Base Rent that are not Interest Component or Principal Component.

This Lease will be deemed and construed to be a "net lease," and the Lessee will pay absolutely net during the Lease Term, the Lease Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction, or set-off (other than credits against Lease Payments expressly provided for in this Lease). Notwithstanding any dispute between the Lessee and the Lessor or a dispute between the Lessee and any Project related vendors, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending final resolution of such dispute nor shall the Lessee assert any right of set-off or counterclaim against its obligations to make such payments required under this Lease.

Lease Payments shall be payable to the Disbursing Agent at the place set forth in Exhibit B attached hereto or at such other place as the Disbursing Agent may from time to time designate in writing.

Section 8. [Reserved].

Section 9. Authority and Authorization; Nonappropriation by the Lessee. The Lessee represents, covenants, and warrants, and will deliver to the Lessor an opinion of its counsel to the effect that: (i) the Lessee is a Governmental Agency duly organized and validly existing under and by virtue of the laws of the Commonwealth; (ii) the execution, delivery, and performance by the Lessee of this Lease have been duly authorized by all necessary action on the part of the Lessee; and (iii) this Lease constitutes a legal, valid, and binding obligation of the Lessee enforceable in accordance with its terms. The Lessee agrees and warrants that: (i) it will do or cause to be done all things necessary to preserve and keep the Lease in full force and effect; (ii) it has complied with all requirements applicable to it, and has taken all steps for approval, authorization, and execution of this Lease as a valid obligation on its part; and (iii) sufficient funds are appropriated to pay all amounts due under this Lease for the current fiscal year.

If the Lessee fails, for any reason, to duly enact by June 30 of each fiscal year an appropriation ordinance for the ensuing fiscal year which includes amounts required to pay all Lease Payments to become due during that fiscal year, or on any earlier date on which the Lessor receives notice from the Lessee that this Lease will be terminated, an Event of Nonappropriation will be deemed to have occurred.

If an Event of Nonappropriation occurs, the Lessee will not be obligated to make Lease Payments or any other payments provided for herein beyond the amounts specifically appropriated by the Lessee for the fiscal year during which such Event of Nonappropriation occurs; provided that, the Lessee will continue to be liable for Lease Payments allocable to any period during which the Lessee continues to use, occupy, or retain possession of the Project.

The Lessee will vacate or surrender the Project to the Lessor by the July 1 following an Event of Nonappropriation. The surrender of any movable personal property comprising a portion of the Project will consist of delivering such property to the Lessor at a site within the Commonwealth selected by the Lessor.

Upon the occurrence of an Event of Nonappropriation, all amounts on deposit in the Lessee's Acquisition Fund will be applied as provided in Section 4 hereof. After the expiration of the fiscal year during which an Event of Nonappropriation occurs, the Lessor may proceed to repossess and liquidate or release or otherwise dispose of the Project or any portion thereof and may take one or any combination of steps described in Section 23 hereof.

<u>Section 10</u>. <u>Title</u>.

(a) The Lessee will retain title to the Project during the Lease Term, subject to the Lessor's rights under this Lease. The Lessor and the Lessee agree that this Lease or any other appropriate documents may be filed or recorded to evidence the parties' respective interests in the Project and this Lease.

(b) The Lessor hereby covenants that the Lessee will during the Lease Term peaceably and quietly have and hold and enjoy the Project without suit, trouble, or hindrance from the Lessor, except as expressly required or permitted by this Lease. The Lessor will, at the request of the Lessee and at the cost of the Lessee, join and cooperate fully in any legal action regarding the Project and the Lessee may, at its own expense, join in any legal action affecting the Project.

(c) The Project shall become the property of the Lessee in fee simple absolute and the Lessor's interest therein shall pass to the Lessee without cost upon (i) the Lessee's exercise of the Purchase Option granted in Section 19 hereof, or (ii) the complete payment and performance by the Lessee of all of its obligations during the Lease Term; provided, however, that title shall immediately and without any action by the Lessee vest in the Lessor and the Lessee shall immediately surrender possession of the Project to the Lessor upon (i) any termination of this Lease without the Lessee exercising its Purchase Option to purchase under the Lease or (ii) the occurrence of an Event of Default. In any of such cases, the Lessee shall execute such instruments and do such things as the Lessor reasonably requests and as may be required by law in order to effectuate the transfer of any and all of the Lessee's right, title, and interest in the Project, as is, to the Lessor. It is hereby acknowledged by the Lessor and the Lessee that the Lessee will purchase the Project on the terms set forth in this Lease.

Section 11. Sale of Project. The Lessee will not sell, lease, assign, transfer, or otherwise dispose of all or any of the Project or any interest therein (whether in one transaction or in a series of transactions) unless the Lessee pays the Purchase Price to the Lessor.

Section 12. Use; Maintenance and Repair; Indemnification.

(a) The Lessee will: (i) use the Project in a careful manner for the use contemplated by this Lease and the Kentucky Revised Statutes with respect to public property; (ii) comply with all laws, insurance policies, and regulations relating to the use and maintenance of the Project; and (iii) pay all costs, claims, damages, fees, and charges arising out of its possession, use, or maintenance of the Project.

(b) The Lessee, at its expense, will: (i) keep the Project in good condition and furnish all parts, mechanisms, and devices required therefor, and (ii) obtain and maintain any governmental licenses and permits required for ownership of the Project.

(c) The Lessee will maintain, or by contract provide for, the proper maintenance of, the Project in accordance with this Section 12 hereof during the Lease Term.

(d) The Lessor agrees that during the Lease Term it will not impair the Lessee's ability to maintain the Project.

(e) The Lessee releases the Lessor from, agrees that the Lessor shall not be liable for and indemnifies the Lessor against causes of action, costs, and expenses (including reasonable attorneys' fees and expenses except as may be limited by law or judicial order or decision entered in any action brought to recover moneys under this Section) imposed upon, incurred by, or asserted against the Lessor on account of (a) ownership of any interest in the Project or any part thereof, (b) any accident, injury, or death to persons or damage to property occurring on or about the Project or any part thereof or the adjoining sidewalks, curbs, streets, or ways, (c) any use, disuse or condition of the Project or any part thereof, or the adjoining sidewalks, curbs, streets, or ways, (d) any failure on the part of the Lessee to perform or comply with any of the terms hereof, or (e) the performance of any labor or services or the furnishing of any materials or other property in respect of the Project or any part thereof.

Section 13. Alterations. Following completion of the Project, the Lessee will not make any alterations, additions, substitutions, or replacements to the Project that would have an adverse effect on either the nature of the Project or the functionality or value of the Project. Any alterations, additions, or improvements to the Project and any substitutions or replacements, shall be and be considered to constitute a part of the Project.

The Lessee may also install machinery, equipment, and other tangible property in or on the Project; provided that such machinery, equipment, and other tangible property which becomes permanently affixed to the Project will be subject to this Lease if the Lessor reasonably determines that the Project would be damaged or impaired by the removal of such machinery, equipment, or other tangible property.

Section 14. Location; Inspection. The Lessor will be entitled to enter upon the Project or elsewhere during reasonable business hours to inspect, or observe the use of the Project.

Section 15. Liens and Encumbrances. Except for liens and encumbrances to which the Lessee and the Lessor consent in writing, the Lessee and the Lessor shall keep the Project free and clear of all liens and encumbrances except those created or permitted under this Lease.

Section 16. Risk of Loss; Damage; Destruction. The Lessee assumes all risk of loss or damage to the Project from any cause whatsoever. No loss of or damage to, or appropriation by governmental authorities of, or defect in or unfitness or obsolescence of, the Project will relieve the Lessee of its obligations under this Lease. The

Lessee will promptly repair or replace any portions of the Project lost, destroyed, damaged, or appropriated which are necessary to maintain the Project in sound operating condition so that at all times during the Lease Term the Project will be able to carry out its intended functions.

The net proceeds of any insurance policies, performance bonds, condemnation awards, or net proceeds received as a consequence of default or breach of warranty under a construction contract or other contract relating to the Project will be deposited in the Acquisition Fund, if received before the completion of the Project, or, if received thereafter, will be deposited in a separate account established by the Disbursing Agent and will be applied in the same manner described in Section 4 hereof. The balance remaining after repair, restoration, modification, improvement, or replacement of the Project has been completed will be applied to satisfy payment of Lease Payments.

Section 17. Insurance. The Lessee, at its expense, will cause casualty and property damage insurance with a company or self-insurance fund acceptable to the Lessor to be carried and maintained with respect to the Project in an amount equal to the unpaid Principal Components or the replacement cost (excluding land and foundations) of the Project, if less than such Principal Components. Any casualty and property damage insurance policy required by this Section will name the Lessor and CoLT as additional named insureds and will be so written or endorsed as to make losses, if any, payable to the Lessor (for application as provided in Section 16 hereof).

The Lessee will cause public liability insurance to be carried and maintained with a company or self-insurance fund acceptable to the Lessor with respect to the Project in such amount as is approved by the Lessor. Any public liability insurance policy required by this Section will name the Lessor and CoLT as additional named insureds.

Section 18. Financial Reports; Budgets; Inspection. The Lessee will provide CoLT with a copy of the Lessee's annual audited financial report within 120 days of its fiscal year end; provided that if its audited financial report is not available by such date, the Lessee will provide a compilation of its financial information in form and content acceptable to the Lessor. The Lessee will immediately notify the Lessor, the Disbursing Agent, and CoLT of any Event of Default or Event of Nonappropriation hereunder or any circumstance or event which, with the passage of time or the giving of notice, would qualify as an Event of Default hereunder. The Lessee shall file a copy of its annual budget with CoLT upon adoption. The Lessor, CoLT, and their respective authorized representatives shall at any time during normal business hours have the right to enter the premises where the Project may be located for the purpose of inspecting and examining the Project and its condition, use, and operation and the books and records of the Lessee.

Section 19. Purchase Option. The Lessee, upon thirty days prior written notice to the Lessor and CoLT, shall have the right to purchase the Project on any Purchase Price Date by paying to the Lessor the Lease Payment then due together with the Purchase Price relating to that Purchase Price Date.

Section 20. Release and Indemnification Covenant. To the extent permitted by law, the Lessee will and hereby agrees to indemnify and save the Lessor and CoLT (each, an "Indemnitee") harmless against and from any or all claims, by or on behalf of any person, firm, corporation, or other legal entity, and all liabilities, obligations, losses, and damages whatsoever, regardless of the cause thereof and the expenses, penalties, and fees in connection therewith (including counsel fees and expenses), arising from or as a result of the operation, ordering, ownership, acquisition, construction, use, condition, delivery, rejection, storage, return, or management of the Project during the Lease Term, or the entering into of the Lease or any other document or instrument relating thereto (collectively, "Indemnified Claims"), including: (i) any condition of the Project; (ii) any act of negligence of the Lessee or of any of the agents, contractors or employees or any violation of law by the Lessee or breach of any covenant or warranty by the Lessee hereunder; (iii) any accident in connection therewith resulting in damage to property or injury or death to any person; and (iv) the incurring of any cost or expense in connection with the acquisition of the Project in excess of the moneys available therefor in the Acquisition Fund. To the extent permitted by law, the Lessee will indemnify and save each Indemnitee harmless from any such Indemnified Claim, or in connection with any action or proceeding brought thereon and, upon notice from such Indemnitee, will defend or pay the cost of defending such Indemnitee, in any such action or proceeding.

The indemnification arising under this Section will continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease for any reason.

Section 21. Assignments.

(a) The Lessee may not, without the prior written consent of the Lessor: (i) assign, transfer, pledge, hypothecate, or grant any security interest in or otherwise dispose of this Lease or the Project (without replacement or substitution) or any interest in this Lease or the Project, or (ii) sublease the Project or permit it to be operated by anyone other than the Lessee, the Lessee's employees or persons authorized by the Lessee in connection with the Lessee's operation and maintenance of the Project.

(b) The Lessor may, at any time and from time to time without the Lessee's consent, assign, transfer, or otherwise convey all or any part of its interest in the Project or this Lease, including the Lessor's rights to receive the Lease Payments or any part thereof (in which event Lessee agrees to make all Lease Payments thereafter to the assignee designated by the Lessor and to repossess the Project and exercise the Lessor's other rights and remedies under Section 23 hereof.

(c) Subject to the subsection (a) hereof, this Lease inures to the benefit of and is binding upon the successors or assigns of the parties to this Lease.

Section 22. Events of Default. The occurrence of any one or more of the following events constitutes an "Event of Default" under this Lease:

(a) The Lessee's failure to make any Lease Payment (or any other payment) as it becomes due in accordance with the terms of this Lease;

(b) Failure by the Lessee to vacate or surrender the Project by the July 1 following an Event of Nonappropriation as provided in Section 9 hereof;

(c) The Lessee's failure to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease or any document delivered by the Lessee under or in connection with this Lease, and the failure is not cured or steps satisfactory to the Lessor taken to cure the failure, within fifteen days after written notice of the failure to the Lessee by the Lessor; or; or

(d) Any material statement, representation, or warranty made by the Lessee in this Lease or in any writing delivered by the Lessee under or in connection with this Lease is false, misleading, or erroneous in any material respect.

Section 23. Remedies. Upon the occurrence of an Event of Default, and as long as the Event of Default is continuing, the Lessor may, at its option, exercise any one or more of the following remedies as to the Project, to whichever the Event of Default pertains:

(a) Terminate the Lease Term and give notice to the Lessee to vacate or surrender the Project within sixty days from the date of such notice;

(b) By written notice to the Lessee, enter and take immediate possession of the Project;

(c) Recover from the Lessee:

(i) the Lease Payments which would otherwise have been payable hereunder during any period in which the Lessee continues to use, occupy or retain possession of the Project; and

(ii) Lease Payments which would otherwise have been payable hereunder after the Lessee vacates or surrenders the Project during the remainder of the fiscal year in which such Event of Default occurs;

(d) Sell or lease the Project or sublease it for the account of the Lessee, holding the Lessee liable for all Lease Payments and other payments due during the remaining Lease Term to the extent that such selling, leasing, or subleasing fails to provide amounts which are sufficient to pay the remaining Lease Payments when due, with any proceeds of the sale of the Project being applied first to all past due Lease Payments and then to the portion of Lease Payments applicable to the Principal Component in inverse order of their due date; and

(e) Exercise any other right, remedy, or privilege which may be available to it under the applicable laws of the Commonwealth or any other applicable law, subject to the limitations contained in this Lease with respect to the Lessee's obligations upon the occurrence of an Event of Nonappropriation; or proceed by appropriate court action to enforce the terms of this Lease or to recover damages for the breach of this Lease or to rescind this Lease as to any or all of the Project, including any one or more remedial steps available to secured parties under Article 9 of the UCC and which are otherwise accorded to the Lessor by applicable law.

The Lessee will remain liable for all covenants and obligations under this Lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the Lessor with respect to the enforcement of any of the remedies under this Lease, when a court of competent jurisdiction has finally adjudicated that an Event of Default has occurred and enforced the remedies set forth in this Section.

<u>Section 24</u>. <u>Notices</u>. All notices, certificates, requests, or other communications hereunder will be in writing and mailed (postage prepaid, and certified or registered with return receipt requested) or delivered (including delivery by courier service) as follows:

if to CoLT:

Kentucky Association of Counties Leasing Trust
400 Englewood Drive
Frankfort, Kentucky 40601
Attention: CoLT

if to the Lessor:

Magnolia Bank, Inc.
P.O. Box 436647
Louisville, Kentucky 40253
Attention: George Schifferdecker

And if to the Lessee, to the address shown on the cover page hereof.

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications will be sent hereunder. All notices, certificates, requests, and other communications under this Lease will be effective when received (if given by mail) or when delivered (if given by delivery).

Section 25. Headings. All section headings contained in this Lease are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

Section 26. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the Commonwealth.

Section 27. Delivery of Related Documents. The Lessee will execute or provide, as requested by the Lessor, such other documents and information as are reasonably necessary with respect to the transaction contemplated by this Lease.

The Lessor and the Lessee agree that this Lease or any other appropriate documents may be filed or recorded to evidence the parties' respective interests in the Project and this Lease.

Section 28. Special Representations and Covenants of the Lessor. The Lessor represents that the Lessor is a Kentucky banking corporation duly organized, existing and in good standing under the laws of the Commonwealth; it has full and complete power to enter into the Lease and to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Lease; is possessed of full power to own and hold real and personal property, and to lease the same; and has duly authorized the execution and delivery of this Lease.

Section 29. Special Representations and Covenants of the Lessee. The Lessee represents, covenants, and warrants that (a) it is a Governmental Agency of the Commonwealth; (b) it has full power and authority to enter into and to perform its obligations under this Lease and all related documents; (c) it has duly authorized this Lease and all related documents; (d) this Lease and all related documents are valid, legal, and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms; (e) the execution and delivery of this Lease and all related documents does not conflict with or result in a breach of the terms of any agreement or instrument by which the Lessee is bound, or conflicts with or results in a violation of any provision of law or regulation applicable to the Lessee; (f) there is no action, suit, proceeding, or investigation before or by any court or public body wherein an unfavorable decision would materially and adversely affect the transactions contemplated by this Lease; (g) the Project furthers the Lessee's governmental purposes, serves a public purpose, and is in the best interests of the Lessee and at the time of execution and delivery of the Lease, the Lessee intends to annually appropriate the Lease Payments due hereunder; and (h) during the Lease Term, the Project will at all times be used only for the purpose of performing one or more lawful governmental functions of the Lessee.

Section 30. DISCLAIMER OF WARRANTIES. THE LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE PROJECT OR ANY PORTION THEREOF OR AS TO ITS TITLE THERETO OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

Section 31. Entire Agreement; Amendment; Severability; Beneficiaries.

(a) This Lease, together with attachments and exhibits, and other documents or instruments executed by the Lessee and the Lessor in connection with this Lease, constitute the entire agreement between the parties with respect to the lease of the Project.

(b) This Lease may not be modified, amended, altered, or changed except with the prior written consent of the Lessee, the Lessor, and CoLT.

(c) If any provision of, or any covenant, obligation, or agreement contained in this Lease is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation, or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained in this Lease. The invalidity or unenforceability shall not affect any valid or enforceable application thereof, and each such provision, covenant, obligation, or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

(d) No person other than a party hereto and CoLT, will have any right, remedy, or claim under or by reason of this Lease or otherwise be a third party beneficiary of any rights, remedies, claims, or agreements hereunder.

Section 32. Costs and Expenses of Lessor. To the extent permitted by law, the Lessee shall pay to the Disbursing Agent, on behalf of the Lessor, in addition to the Lease Payments payable by the Lessee hereunder, such amounts in each year as shall be required by the Lessor in payment of any reasonable costs and expenses incurred by the Lessor in connection with the administration, modification, and enforcement of this Lease, including payment of all reasonable fees, costs, and expenses and all administrative costs of the Lessor and the Disbursing Agent in connection with the Project, expenses (including attorneys' fees and disbursements), fees of auditors or attorneys, insurance premiums not otherwise paid hereunder, and all other direct and necessary administrative costs of the Lessor and the Disbursing Agent or charges required to be paid by them in order to enforce their rights under, this Lease. Such costs and expenses shall be billed to the Lessee by the Lessor from time to time, together with a statement certifying that the amount so billed has been paid by the Lessor for one or more of the items above described, or that such amount is then payable by the Lessor for such items. Amounts so billed shall be due and payable by the Lessee within thirty days after receipt of the bill by the Lessee and shall be treated as Additional Rent hereunder, except that the Lessee will have thirty days instead of fifteen days to effect payment thereof.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Lease Agreement by their authorized officers on the dates of the respective acknowledgments as of the Commencement Date shown on the cover page hereto.

CITY OF HOPKINSVILLE, KENTUCKY, Lessee

By: ______________________________________
Mayor

Attest:

____
City Clerk

MAGNOLIA BANK, INC., Lessor

By: ______________________________________
Title: _____________________________________

KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST, as administrator

By: ______________________________________
Karen Y. Basham, Interim Program Director

EXHIBIT A

DESCRIPTION OF PROJECT

ESTIMATED COST OF THE PROJECT: $

ESTIMATED DATE OF COMPLETION OF THE PROJECT:

DESCRIPTION

The acquisition of trucks with the following VIN#'s:

Model	**VIN#**

EXHIBIT B

LEASE PAYMENTS

Hopkinsville #[] – Trucks – Magnolia Bank

The Interest Component set forth above is (and shall be) from the period from closing through the first payment date, computed on a basis of actual days elapsed divided by 360, and thereafter computed on a 360 day year basis and a thirty day month. The Base Rent set forth above includes the Interest Component, Principal Component and Administrative Fee payable under the Program Administration Agreement. The Payment Date is the due date for payments hereunder, which includes interest through the first day of the month following the Payment Date.

The Interest Component is the per annum rate equal to []% (which includes the Administrative Fee of []%).

The Late Payment Rate shall be five percent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

The Lessee has selected a fixed interest rate, the Purchase Price shall be the Lease Balance set forth above, plus the unpaid Interest Component accrued to the Purchase Price Date, plus all other amounts due hereunder that remain unpaid on the Purchase Price Date.

Unless the Lessee has submitted a properly executed ACH Form (attached as an exhibit to this Lease) or as otherwise provided for the electronic transfer of payments, all Lease Payments hereunder shall be paid by check mailed to US BANK KY POOLED CHECKS, PO BOX 643422, CINCINNATI, OHIO 45264-3422.

The Lessee hereby acknowledges the Lease Payments set forth above (and the Fees and Expenses included as a part thereof).

CITY OF HOPKINSVILLE, KENTUCKY,
Lessee

By: ______________________________________
Mayor

EXHIBIT C

FORM OF MUNICIPAL ORDER

______-2025

MUNICIPAL ORDER OF THE CITY COUNCIL OF THE CITY OF HOPKINSVILLE, KENTUCKY APPROVING A LEASE OR LEASES FOR THE FINANCING OF PUBLIC PROJECTS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE OR LEASES; AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO SUCH LEASE OR LEASES.

WHEREAS, the governing body of the City of Hopkinsville, Kentucky (the "Lessee") has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of the property for public purposes; and

WHEREAS, the governing body of the Lessee (the "Governing Body") has previously determined, and hereby further determines, that the Lessee desires to purchase and finance one or more motor vehicles for use by the Lessee, which are defined as the "Project" in the Lease hereinafter described; and

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee enter into one or more lease agreements (each a "Lease"), to be administered by Kentucky Association of Counties Leasing Trust (the "Program Administrator") and funded by the bank, financial institution, or finance corporation offering the best interest rate and terms (the "Lessor"), as selected by the Mayor, for the leasing by the Lessee from the Lessor of the Project.

NOW THEREFORE, BE IT ORDERED BY THE CITY COUNCIL OF THE CITY OF HOPKINSVILLE, KENTUCKY, AS FOLLOWS:

Section 1. Recitals and Authorization. The recitals to this Municipal Order are incorporated herein as if set forth in this Section in their entirety and are hereby found and determined to be true and correct. The Lessee hereby approves the Lease, in substantially the form presented to this Governing Body. It is further found and determined that the Project identified in the Lease is public property to be used for public purposes, that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease and all representations, certifications, and other matters contained in the closing memorandum with respect to the Lease, or as may be required by the Lessor before delivery of the Lease, are hereby approved, ratified, and confirmed. The Mayor and City Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. Administration of the Lease. The Kentucky Association of Counties Leasing Trust is hereby acknowledged to be the program administrator under the Lease.

Section 3. Severability. If any Section, paragraph, or provision of this Municipal Order shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such Section, paragraph or provision shall not affect any of the remaining provisions of this Municipal Order.

Section 4. Open Meetings Law. This Governing Body hereby finds and determines that all formal actions relative to the adoption of this Municipal Order were taken in an open meeting of this Governing Body, and that all deliberations of this governing Body and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 5. Conflicts. All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Municipal Order are, to the extent of such conflict, hereby repealed and the provisions of this Municipal Order shall prevail and be given effect.

Section 6. Effective Date. This Municipal Order shall take effect from and after its passage, as provided by law.

INTRODUCED, SECONDED AND ADOPTED, at a duly convened meeting of the Governing Body, held on ___________________, 20__, signed by the Mayor of the Lessee, attested by the City Clerk, filed and indexed as provided by law.

By: ______________________________
James R. Knight, Jr., Mayor

ATTEST:

By: ______________________________
Brittany Byrum, City Clerk

Approved as to form and legality by:

____
H. Douglas Willen
City Attorney

EXHIBIT D

OPINION OF LESSEE'S COUNSEL

_______________, 20___

Magnolia Bank, Inc.
Louisville, Kentucky

Kentucky Association of Counties Leasing Trust
Frankfort, Kentucky

Dinsmore & Shohl, LLP
Covington, Kentucky

Re: Lease Agreement by and among the Kentucky Association of Counties Leasing Trust, as administrator, Magnolia Bank, Inc., as lessor, and City of Hopkinsville, Kentucky, as lessee

Ladies and Gentlemen:

We have acted as counsel to the lessee identified above (the "Lessee") in connection with the authorization, execution, and delivery by the Lessee of the Lease Agreement identified above (the "Lease"), among the Lessee, the Kentucky Association of Counties Leasing Trust, as administrator, and Magnolia Bank, Inc., as lessor (the "Lessor"). We have reviewed (i) the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), (ii) certain proceedings taken by the Governing Body of the Lessee, (iii) an executed copy of the Lease, and (iv) such other information and documents as we have deemed necessary or appropriate in order to render this opinion.

Based on the foregoing, we are of the opinion that:

1. The Lessee is a body politic and corporate, validly organized and existing in good standing under the laws of the Commonwealth and has full power and authority to enter into and to perform its obligations under the Lease.

2. The Lease has been duly authorized, executed, and delivered by the Lessee and (assuming the due authorization, execution, and delivery thereof by the other parties thereto) constitutes legal, valid, and binding obligations of the Lessee, enforceable against the Lessee in accordance with its terms (including the right of the Lessee to terminate the Lease at the end of each fiscal year of the Lessee by reason of an Event of Nonappropriation, as defined in the Lease), except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

3. All consents, approvals, or authorizations of any governmental entity and all filings and notices required on the part of the Lessee in connection with the authorization, execution, and delivery of the Lease and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect.

4. Neither the execution and delivery of the Lease nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Lease conflict with or constitute a violation of any provision of any law or regulation applicable to the Lessee or, to the best of our knowledge after reasonable investigation, conflicts with or results in a breach of the terms, conditions or provisions

of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound.

5. To the best of our knowledge, after reasonable investigation, there is no action, suit, proceeding, or governmental investigation at law or in equity before or by any court, public board or body, pending of which the Lessee has been served with a summons, summons and complaint, or other notice of commencement, or threatened against or affecting the Lessee, challenging the validity of the Lease or contesting the power and authority of the Lessee to execute and deliver the Lease or to consummate the transactions contemplated by the Lease.

Respectfully submitted,

EXHIBIT E

CERTIFICATE OF OFFICIALS OF LESSEE

Re: Lease Agreement by and among the Kentucky Association of Counties Leasing Trust, as administrator, Magnolia Bank, Inc., as lessor, and City of Hopkinsville, Kentucky, as lessee.

The undersigned officials of the lessee identified above (the "Lessee") under the Lease Agreement identified above (the "Lease") among the Lessee, the Kentucky Association of Counties Leasing Trust, as administrator ("CoLT"), and Magnolia Bank, Inc., as lessor (the "Lessor"), DO HEREBY CERTIFY AS FOLLOWS:

1. That they are the duly elected or appointed, qualified, and acting incumbents of their respective offices of the Lessee, as set forth after their signatures hereto, and as such are familiar with the books, records, and affairs of the Lessee.

2. That the Lessee is a body politic and corporate, validly organized, existing, and in good standing under and by virtue of the laws of the Commonwealth of Kentucky with all requisite power and authority to lease property as lessee and to carry on its business as now being conducted.

3. That included in the transcript of which this Certificate forms a part is a true, correct, and complete copy of the Municipal Order duly adopted by the Governing Body of the Lessee on ______________________ (the "Official Action"), authorizing the appropriate officials of the Lessee to execute the Lease. The Official Action was duly adopted in accordance with all applicable laws.

4. The representations and warranties of the Lessee made in the Lease are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof; the Official Action has not been amended or supplemented and is in full force and effect; and the Lease has been entered into and is in full force and effect.

5. That the below-named persons were on the date or dates of the execution of the Lease and are on the date of this certificate the duly elected or appointed and qualified incumbents of the respective offices of the Lessee set forth opposite their names and that the signatures set forth opposite their names are their genuine signatures:

Name	Title	Signature
______________________	Mayor	______________________
______________________	City Clerk	______________________

6. The Lease has been duly authorized, executed, and delivered by the Lessee and constitutes the legal, valid, and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms (including the right of the Lessee to terminate the Lease at the end of each fiscal year of the Lessee by reason of an Event of Nonappropriation, as defined in the Lease).

7. The Lessee is not in default under or in violation of (i) any provisions of applicable law, (ii) the Lease, or (iii) any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, order, judgment, decree, or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are or may be bound, or to which it or any of its assets is subject, which default would have a material adverse effect on the condition, financial or otherwise, of the Lessee or on the ability of the Lessee to perform its

obligations under the Lease. Neither the execution and delivery of the Lease nor compliance by the Lessee with the terms, conditions and provisions of the Lease will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

8. Since the date of the financial information provided to CoLT or the Lessor, there have not been any material adverse changes in the business, properties, condition (financial or otherwise), or results of operations of the Lessee, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the Lessee has not entered into any transaction or incurred any liability material to the financial position of the Lessee.

9. There is no claim, action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of our knowledge, threatened against or affecting the Lessee wherein an unfavorable decision, ruling, or finding would materially adversely affect the business, properties, condition (financial or otherwise), or the results of operations of the Lessee or the ability of the Lessee to perform its obligations under the Lease.

10. All authorizations, consents, and approvals of, notices to, registrations, or filings with, or other actions in respect of or by, any governmental body, agency or other instrumentality or court required in connection with the execution, delivery, and performance by the Lessee of the Lease have been duly obtained, given, or taken (and copies thereof have been provided to CoLT or the Lessor).

11. Any certificate signed by any official of the Lessee and delivered to CoLT or the Lessor will be deemed to be a representation by the Lessee to CoLT and the Lessor as to the statements made therein.

WITNESS our hands this _______ day of ______________, _____.

CITY OF HOPKINSVILLE, KENTUCKY,
Lessee

By: ____________________________________
Mayor

Attest:

____
City Clerk

EXHIBIT F

REQUEST FOR DISBURSEMENT

Re: Lease Agreement by and among the Kentucky Association of Counties Leasing Trust, as administrator, Magnolia Bank, Inc., as lessor, and City of Hopkinsville, Kentucky, as lessee.

Requisition Certificate No. ______ ☐ Check here if Final Disbursement

The Lessee hereby requests a disbursement from its Acquisition Fund in the amount of $__________ and hereby certifies, as follows (except that with respect to a disbursement to pay an Interest Component of Lease Payments during construction of a Project, only the document described in (a) below will be required):

(a) Attached is a statement of the amount and nature of each item of the Costs of the Project to be paid and the name and address of the payee, with the payee's statement and, if reimbursement to the Lessee of amounts previously paid is requested, evidence of such payment;

(b) each item for which payment or reimbursement is requested is or was necessary in connection with the Costs of the Project and none of such items formed the basis for any previous payment from the Lessee's Acquisition Fund;

(c) each contractor, subcontractor, and materialman has filed with the Lessee receipts or waivers of liens for all amounts previously certified for payment, or any amount previously certified for reimbursement to the Lessee, or there is on file with the Lessee a cancelled check endorsed by the contractor, subcontractor, or materialman evidencing such payment;

(d) all of the warranties and representations of the Lessee contained in the Lease are true and correct as of the date of such disbursement, as though such warranties and representations were made on such date, no Event of Default or Event of Nonappropriation has occurred under the Lease, the right of the Lessee to control the acquisition, construction, and installation of the Project has not otherwise been terminated under the Lease, and that amounts on deposit in the Lessee's Acquisition Fund will be sufficient to complete the Project in accordance with the approved plans and specifications;

Executed this ________ day of ______________________.

CITY OF HOPKINSVILLE, KENTUCKY, Lessee

By: ______________________________________
Mayor

Approved by:

MAGNOLIA BANK, INC.

By: ______________________________________
Title: ____________________________________

KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST, as administrator

By: ______________________________________
Title: ____________________________________

EXHIBIT G

[RESERVED]

EXHIBIT H

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
CORPORATE TRUST
TRANSACTION NOTIFICATION ELECTION

Name of Account Relationship: Kentucky Association of Counties Leasing Trust

Lessee: City of Hopkinsville, Kentucky

Currently, when we make an investment for your account(s) we send an investment confirmation letter or notice requesting your signature for approval and direction as provided in your governing bond documents. A banking regulation requires that we send in addition to these letters or notices, another specific written notification containing information about the same investments. However, upon your request we do not have to send this additional written notification to you but you may receive periodic statements instead. An election to receive periodic statements will not affect the investment confirmation letter or notice you are presently receiving to comply with your governing bond documents. You will continue to receive those.

Please indicate your choice on this form.

Federal regulations require that U.S. Bank Trust Company, National Association furnish to you, without any additional cost written notification of any security transaction in the Account(s). The notification must be sent within five business days from the date of the transaction or from the date of receipt by U.S. Bank Trust Company, National Association of the broker/dealer confirmation.

As an alternative to a notice of each individual transaction, you may elect to receive this information consolidated into periodic trust statements.

TRANSACTION NOTIFICATION ELECTION

CHECK ONE

☐ Do not send notification of each individual transaction. Transaction information will be consolidated on your periodic report.

☐ Send notification of each individual transaction.

CITY OF HOPKINSVILLE, KENTUCKY, Lessee

By: ______________________________________
Authorized Lessee Representative

EXHIBIT I

[RESERVED]

EXHIBIT J

ACH PAYMENT AUTHORIZATION FORM